



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Legislative Retirement Note

BILL NUMBER: House Bill 355 (First Edition)

SHORT TITLE: Firefighters' Death Benefits/Cancers.

SPONSOR(S): Representatives Saine, Dollar, Malone, and Murphy

FUNDS AFFECTED: State General Fund

SYSTEM OR PROGRAM AFFECTED: Line-of-duty death benefits under Article 12A of Chapter 143 of the General Statutes.

BILL SUMMARY: Amends G.S. 143-166.2 by adding the following to the list of cancers that are considered occupational diseases for death benefits payable to firefighters: rectal cancer, esophageal cancer, oral cavity cancer, brain cancer, non-Hodgkin's lymphoma, and multiple myeloma. The death benefit is \$50,000 and is paid directly from General Fund appropriations rather than being funded in advance.

EFFECTIVE DATE: The bill is effective when it becomes law and applies to deaths occurring on or after that date.

ESTIMATED IMPACT ON STATE: Conduent, the actuary for the Retirement Systems, estimates that the bill will increase death benefits and thus annual appropriations by \$1,017,000 per year. Hartman & Associates, the actuary for the General Assembly, estimates that the bill will increase death benefits and thus annual appropriations by \$1,172,000 per year.

Conduent further notes that the actual risk assumed is a risk that has a low probability rate of occurring. As such, on an annual basis significant variances may occur. Even with a fairly large covered population, the number of deaths satisfying the criteria might vary widely from year-to-year.

ASSUMPTIONS AND METHODOLOGY:

Both actuaries used data provided for the December 31, 2015 actuarial valuation of the Firefighters' and Rescue Squad Workers' Pension Fund, which includes 23,631 active firefighters, 15,627 terminated (or lapsed) firefighters, and 12,155 retired firefighters. Hartman & Associates further assumed that the count of former members of the Pension Fund, who have withdrawn their contributions and are still living, was equal to the number of lapsed members.

Age-specific mortality rates were taken from the 2009-2013 Age-Adjusted Cancer Death Rates, United States Cancer Statistics, published by the Centers for Disease Control and Prevention. The mortality rates were increased by 14% (Conduent) and 20% (Hartman & Associates) for

firefighters based on various published studies indicating higher rates of cancer among firefighters.

SOURCES OF DATA:

Conduent, “Firefighters’ Death Benefits/Cancers – House Bill 355”, April 4, 2017, original of which is on file in the General Assembly’s Fiscal Research Division.

Hartman & Associates, LLC, “House Bill 355: An Act Amending the List of Cancers Covered as Occupational Diseases for Firefighters’ Death Benefits”, March 24, 2017, original of which is on file in the General Assembly’s Fiscal Research Division.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION: (919) 733-4910.

The above information is provided in accordance with North Carolina General Statute 120-114 and applicable rules of the North Carolina Senate and House of Representatives.

PREPARED BY: David Vanderweide

APPROVED BY:

Mark Trogon, Director
Fiscal Research Division

DATE: April 4, 2017



Signed Copy Located in the NCGA Principal Clerk's Offices